

Compliance Assessment Sampling Plan – Record keeping

CAT KIT Exhibit 8

Attribute, Test, Error(s) & Criteria	Sampling Parameters	Universe	Potential Sampling Frame(s)	Evaluation of Compliance Testing & Actions Needed
<p>Attribute: Was the (a)(1)(A) information maintained, stored and produced within a reasonable time in accordance with 19 CFR 163?</p> <p>Test (Primary Audit Steps): (1) Because the record keeping requirement is to determine whether the importer maintains and can produce records supporting the entry information, the record-keeping test is conducted concurrently with the test for classification, quantity, value and special duty provisions (the other common checks.) Review record keeping as follows: as each sampled item is reviewed for the common checks, determine if adequate and timely information supporting the Customs entry for that trade area is provided. (2) Determine if the company's internal control policies and procedures for record keeping were <ul style="list-style-type: none"> • Documented, and • Produced accurate record keeping for transactions. </p> <p>Errors: An error occurs when the records required for support in testing the common checks (classification, quantity, reported value, and special duty provisions in the common checks) are on the (a)(1)(A) list and are not provided within a reasonable time (30 days of the receipt of the demand or within any other period prescribed by Customs.)</p> <p>Criteria for Testing (Statistical Sample or 100% Review): This is a common check trade area that must be performed for every compliance assessment. However, no additional sample will be taken for record keeping. The sample frame/items reviewed for classification, quantity, reported value, and special duty provisions in the common checks will be used to evaluate record keeping compliance.</p>	<p>Approach: attribute estimation sampling using the average error rate (point estimate) for evaluating compliance</p> <p>Confidence Level: 95%</p> <p>Sampling Error (Precision): ±5% (10% range)</p> <p>Anticipated Error Rate: 5%</p>	<p>Records required for support are on the (a)(1)(A) list for merchandise entered during the importer's last completed fiscal year.</p>	<p>Common checks sampling frame (classification, quantity, reported transaction value, and special duty provisions)</p> <p>Sampling Frame: (Common Checks)</p> <p>Validated Sample: ☐ Yes ☐ No</p> <p>Frame Size: _____</p> <p>Sample Size: _____</p>	<p>LOL Compliance Rate (same as Materiality Compliance Rate): _____%</p> <p>☐ Materiality Compliance Rate ³95% – If internal controls were documented, compliance is at an acceptable level for record keeping. – If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP.</p> <p>☐ Materiality Compliance Rate < 95%</p> <p>– Importer compliance for record keeping is not acceptable. Coordinate with the Account Manager to help company develop a CIP.</p> <p>If any (a)(1)(A) record keeping errors are found, an “Enforcement Evaluation Referral Form“ is prepared and forwarded to the Field Audit Specialist for Record keeping for referral to the Enforcement Evaluation Coordinator (see penalty section of the record keeping technical guide).</p>